

**CORN AND SOYBEANS: Production Costs and Returns,
Heartland Region, 2003-2004 1/ 2/**

Item	Corn		Soybeans	
	2003	2004	2003	2004
	<u>Dollars Per Planted Acre</u>		<u>Dollars Per Planted Acre</u>	
Gross value of production (excluding direct Government payments)				
Total gross value of production	331.06	376.17	237.11	272.08
Operating Costs				
Seed	34.89	37.05	27.78	29.56
Fertilizer, lime, and gypsum	45.00	48.90	6.87	7.59
Soil conditioners	0.09	0.10	0.09	0.10
Manure	1.60	1.74	0.48	0.51
Chemicals	26.50	27.11	17.40	16.61
Custom operations 3/	10.09	10.53	5.48	5.53
Fuel, lube, and electricity	18.81	25.41	7.16	7.72
Repairs	12.63	13.82	8.73	9.64
Interest on operating capital	0.79	1.26	1.39	0.61
Total operating cost	150.40	165.92	75.38	77.87
Allocated overhead				
Hired labor	2.30	2.30	1.24	1.27
Opportunity cost of unpaid labor	23.79	24.28	15.09	15.14
Capital recovery of machinery and equipment	53.06	58.11	40.68	44.92
Opportunity cost of land (rental rate)	100.28	103.58	95.93	98.97
Taxes and insurance	5.19	5.24	5.89	5.95
General farm overhead	10.93	11.17	12.10	12.35
Total allocated overhead	195.55	204.68	170.93	178.60
Total cost listed	345.95	370.60	246.31	256.47
Value of production less total costs listed	-14.89	5.57	-9.20	15.61
Value of production less operating costs	180.66	210.25	161.73	194.21
Supporting information				
Yield (bu./planted acre)	157	178	36	49
Price (dollars per bushel at harvest)	2.10	2.10	6.57	5.58
Enterprise size (planted acres) 1/	270	270	280	280
Production practices 1/				
Irrigated (percent)	5	5	5	5
Dryland (percent)	95	95	95	95

1/ Developed from survey base year 2001 for corn. Developed from survey base year 2002 for soybeans.

2/ The Heartland Region includes portions of South Dakota, Nebraska, Iowa, Missouri, Illinois, Indiana, Ohio, and Minnesota's Ag. Statistics Districts 4, 7, 8, and 9. Minnesota is also part of the Northern Crescent and Northern Great Plains Regions. Information is available about the Northern Crescent and Northern Great Plains Regions on the ERS websites listed below.

3/ Cost of custom operations, technical services, and commercial drying.

Source: Economic Research Service, United States Department of Agriculture, Washington, D.C.
Internet Web Site (www.ers.usda.gov/data)